



STATE OF DELAWARE

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April 30, 2018

MEMORANDUM

TO: The Chair and Members of the Commission

FROM: Shona Marshall, Public Utility Analyst 

SUBJECT: IN THE MATTER OF THE APPLICATION OF EAST COAST POWER & GAS OF NEW JERSEY, LLC DBA EAST COAST POWER & GAS FOR A CERTIFICATE TO PROVIDE ELECTRIC SUPPLY SERVICES WITHIN THE STATE OF DELAWARE (SUBMITTED FEBRUARY 23, 2018, 2017; FILED APRIL 24, 2018) - PSC DOCKET No. 18-0134

Background

On February 23, 2018, East Coast Power & Gas of New Jersey, LLC DBA East Coast Power & Gas (the "Company") submitted an application (the "Application") with the Delaware Public Service Commission (the "Commission") for an Electric Supplier Certificate ("ESC") to provide electricity in the State of Delaware pursuant to § 1012 of the Electric Utility Restructuring Act of 1999, 26 *Del. C.* §§ 1001 - 1020 (the "Act") and 26 *Del. Admin. C.* § 3001, the Commission's Rules for Certification and Regulation of Electric Suppliers (the "Supplier Rules").¹

Application

The Company's original filing was submitted on February 23, 2018, but the submitted Application did not meet the minimum filing requirements ("MFR's"). In a letter dated March 2, 2018, Commission Staff ("Staff") requested the Company submit authorization to do business in the state of Delaware, current financial statements, clarification regarding the Company's technical ability, retail experience, and marketing plans, various contract modifications, a request to publish public notices in two newspapers in the state of Delaware, and trade name certificates. The company submitted responses to Staff's request on March 15, 2018 and March 26, 2018. Staff submitted a second deficiency letter dated April 20, 2018 requesting additional contract language changes. The Company's submissions dated April 24, 2018 satisfied the requirements of the MFR's.

Review and Analysis

¹ Unless otherwise noted, all references to capitalized terms are set forth in the Act and/or the Supplier Rules.

Authority to do Business in Delaware

The Company is limited liability company formed in the state of New Jersey. The Company provided proof issued by the Delaware Secretary of State that it is legally authorized and qualified to do business in the State of Delaware. The Delaware certificate of good standing was issued February 23, 2018. The current Delaware business license was issued February 23, 2018 and is valid from March 1, 2018 through December 31, 2018.

Resident Agent

The Company supplied the contact information for a Delaware Registered Agent listed in the application as Corporation Services Company located at 251 Little Falls Drive, Wilmington, DE 19808.

Compliance with Regional Requirements

The Company provided proof of PJM membership. The Company provided a copy of the FERC approval as a marketer.

Financial, Operational, Managerial and Technical Ability

The Company submitted consolidated Balance Sheet and Profit and Loss Statements for the quarter ended September 30, 2017 as indicia of financial capability under Section 2.2.16.2 of the Supplier Rules in its initial Application. Staff has reviewed the financial statements and the Company has satisfied the requirements of the Supplier Rules for purposes of providing electric supply services in the State of Delaware.

The Company anticipates serving Residential, Small Commercial, Large Commercial and Industrial customers throughout the State of Delaware. The Company's Application states that it is currently licensed as both electric and natural gas suppliers in the states of New Jersey and New York. The Company is a subsidiary of East Coast Power & Gas, LLC.

The Application included a summary of experience and qualifications for its officers. Venkatesh Ramachandran has been the Chief Financial Officer of the Company since November 2016, and he possesses over 12 years of experience in the energy industry and over 16 years of managerial experience. Vincent Palmieri has been the Chief Operating Officer since February 2014, and he has over 18 years of experience in the energy industry and over 16 years of managerial experience. Clara Ohr has held the position of General Counsel since October 2017, and has practiced as a licensed attorney since April of 1999 with managerial experience since 2011.

Surety Bond

The Company did post a surety bond to comply with financial security requirements set forth in Section 2.3 of the Supplier Rules as a confidential document.

Verification of Application

The Application and subsequent filings to the Application contained a signed sworn verification of application with the signature of Vincent Palmieri.

Consent to Jurisdiction

The Company consents to the jurisdiction of the Delaware courts.

Contracts

The Company has submitted copies of customer contracts and marketing materials designed for use in the State of Delaware.

Statement of Criminal Activity

The Applicant stated that it has not been charged or convicted of any criminal activity nor have any of its principals or corporation offices. An internet review of the Company and its principals did not return any incidents of criminal activity.

Legal Review

Staff submitted this Memo for review by the Company's General Counsel on April 30, 2018.

Staff Recommendation

Based on Staff's review and analysis of the Application, the Company has satisfied the requirements of the Act and the Supplier Rules. The completed Application supports the Company's request for certification. Staff's review and analysis of the Application demonstrates substantial evidence of capability to render service based on the Company's financial, operational, managerial and technical abilities. Therefore, Staff recommends the Commission approve the Application.